

December 16, 2025

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket No. G011/M-25-68

Dear Ms. Bergman:

On August 1, 2025, Minnesota Energy Resources Corporation (MERC or the Company) filed a Demand Entitlement Filing (Petition) for its Northern Natural Gas (NNG or Northern) System in Docket No. G011/M-25-68.¹ As part of this Petition, the Company requested changes to its proposed total entitlement level to serve firm customers for the upcoming 2025-2026 heating season. MERC requested that the Minnesota Public Utilities Commission (Commission) approve changes in the Company's recovery of the overall level of contracted capacity.

On September 2, 2025 the Minnesota Department of Commerce, Division of Energy Resources (Department) provided its initial comments on the Petition.² In its Comments, the Department recommended approval of the Company's Design-Day Analysis, but withheld its final recommendations for the remainder of the Company's Petition until after the Company filed its Reply Comments and its update in November 2025.³ The Department also recommended MERC provide an update on the NNG rate case at Federal Energy Regulatory Commission (FERC) and MERC's efforts in those proceedings at FERC.⁴

On September 12, 2025 MERC filed its reply comments.⁵ In its reply comments, MERC agreed with the Department's recommendations on the design-day analysis and agreed to provide an update regarding the NNG pending rate case at FERC in MERC's November 2025 update to the Petition.⁶

¹ *In the Matter of Minnesota Energy Resources Corp.'s Petition for Approval of a Change in Demand Entitlement for its Northern System*, Minnesota Energy Resources Corporation, Petition, August 1, 2025, (eDockets) [20258-221697-02](#), (hereinafter "Petition").

² Department of Commerce, Comments, September 2, 2025, Docket No. G011/M-25-68, (eDockets) [20259-222650-01](#).

³ *Id.*, at 16.

⁴ *Id.*, at 15-16.

⁵ Minnesota Energy Resources Corporation, Reply Comments, September 12, 2025, Docket No. G011/M-25-68, (eDockets) [20259-222937-01](#).

⁶ *Id.*, at 1.

On October 31, 2025 MERC filed its update to the Petition.⁷ In its November Update, MERC provided the following: an updated rate comparison using its October 2025 Purchased Gas Adjustment (PGA) rates; an update on the NNG rate case; and, MERC- NNG's future capacity outlook.⁸ The updated PGA commodity rate does not impact the demand entitlement costs. In addition, MERC provided the requested update to the NNG pending rate case at FERC by stating that settlement discussions are still ongoing between NNG and the interveners.⁹

Regarding MERC-NNG's future capacity outlook, the Department appreciates MERC providing additional information on the proposed expansion project that is still in progress. However, pursuant to Minn. R. 7829.2910, subp. 2,¹⁰ the prudence of the proposed expansion project, and/or future capacity, can only be reviewed for reasonableness when MERC files the required petition pursuant to Minn. R. 7829.2910, subp. 2¹¹ when there is a change in the demand levels. Advanced determination on the proposed expansion project and/or future capacity cannot be made in the current proceeding.

After review of the Company's reply comments and its November Update, the Department recommends accepting the Company's proposed level of demand entitlement and allowing MERC to recover the associated demand costs through the monthly PGA effective November 1, 2025.

Sincerely,

/s/ Dr. Sydnie Lieb
Assistant Commissioner of Regulatory Analysis

SS/ad

⁷ Minnesota Energy Resources Corporation, November Update, October 31, 2025, Docket No. G011/M-25-68, (eDockets) [202510-224531-02](#).

⁸ *Id.*, at 1, and at pages 9-15.

⁹ *Id.*, at 9-10.

¹⁰ [Minn. R. 7825.2910, subp. 2](#).

¹¹ *Ibid.*

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Letter**

Docket No. G011/M-25-68

Dated this **16th** day of **December 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP		50 S 6th St Ste 1500 Minneapolis MN, 55402-1498 United States	Electronic Service		No	M-25-68
2	Sasha	Bergman	sasha.bergman@state.mn.us	Public Utilities Commission		121 7th Pl E Ste 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-68
3	Mike	Bull	mike.bull@state.mn.us	Public Utilities Commission		121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-68
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General - Department of Commerce		445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-68
5	Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce		85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-68
6	Daryll	Fuentes	energy@usg.com	USG Corporation		550 W Adams St Chicago IL, 60661 United States	Electronic Service		No	M-25-68
7	Joylyn C	Hoffman Malueg	joylyn.hoffmanmalueg@wecenergygroup.com	Minnesota Energy Resources		2685 145th St W Rosemount MN, 55068 United States	Electronic Service		No	M-25-68
8	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-25-68
9	Catherine	Phillips	catherine.phillips@wecenergygroup.com	Minnesota Energy Resources		231 West Michigan St Milwaukee WI, 53203 United States	Electronic Service		No	M-25-68
10	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General - Residential Utilities Division		1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-68
11	Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.		225 South Sixth Street Suite 3500 Minneapolis MN, 55402	Electronic Service		No	M-25-68

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13	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	M-25-68
14	Tina E	Wuyts	tina.wuyts@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)		PO Box 19001 700 N Adams St Green Bay WI, 54307-9001 United States	Electronic Service		No	M-25-68